

**Fund Incentive Schedule<sup>1 2</sup>**  
**Presented to Performance and Compensation Committee June 14, 2010**

Asset Class	Incentive Schedule		
	Minimum 0	Target 1.0	Maximum 1.5
Global Equity	0 bps	+ 10 bps	+ 15 bps
Global Fixed Income	0 bps	+ 20 bps	+ 30 bps
Real Estate	0 bps	+ 30 bps	+ 45 bps
AIM	0 bps	+ 50 bps	+ 75 bps <sup>3</sup>
ILAC	0 bps	+ 30 bps	+ 45 bps
Total Fund	0 bps	+ 20 bps	+ 30 bps

<sup>1</sup> Cost-adjust benchmarks, where appropriate, for passive portfolios.

<sup>2</sup> Fund and asset class incentive schedules (excluding AIM) were prepared by Mercer Consulting as part of 2010 Incentive Compensation Plan re-design and incorporated into INVO performance plans beginning Fiscal Year 2010-2011.

<sup>3</sup> AIM incentive schedule developed in consultation with staff, PCA and Wilshire in May 2011 to be incorporated into performance plans beginning Fiscal Year 2011-2012.